

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

BIG ROC TOOLS, INC.,

Plaintiff,

vs.

HARBOR FREIGHT TOOLS USA, INC.,

Defendant.

Civil Action Index No. 12-cv-1681 (BMC)

JURY TRIAL DEMANDED

**SECOND AMENDED COMPLAINT FOR PATENT INFRINGEMENT,
FALSE ADVERTISING AND UNFAIR COMPETITION**

Plaintiff Big Roc Tools, Inc., as and for its Complaint against Defendant Harbor Freight Tools USA, Inc., hereby alleges as follows:

1. This is an action for patent infringement arising under the patent laws of the United States, 35 U.S.C. § 271 et seq., for false and misleading advertising arising under and in violation of the Lanham Act, 15 USC § 1125(a), for unfair competition, and violations of New York State General Business Laws.

JURISDICTION & VENUE

2. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1338(a) and 1367.

3. Venue is proper in this Court and in the Eastern District of New York pursuant to 28 U.S.C. §§ 1391(c) and 1400(b).

4. Plaintiff Big Roc Tools, Inc. (“Big Roc” or “Plaintiff”) is a corporation organized and existing under the laws of the State of California with its principal place of business at 1311 John Reed Court, City of Industry, California 91745. Big Roc is the owner of U.S. Patent No. 7,862,066 (the “ ‘066 patent”).

5. Defendant Harbor Freight Tools USA, Inc. (“Harbor Freight” or “Defendant”) is a corporation organized and existing under the laws of the State of Delaware, with offices and facilities throughout the United States, qualified to do business in the State of New York, with regular places of business at 270 Peninsula Blvd., Hempstead, New York 11550; 301 W. Jericho Turnpike, Huntington Station, New York 11746; 1851 Sunrise Hwy., Bay Shore, New York 11706; 114 Veterans Memorial Hwy., Commack, New York 11725; and 1932 Middle County Rd., Centereach, New York 11720.

6. This Court has personal jurisdiction over Defendant. Defendant has conducted and does conduct, and has solicited and does solicit, business within the State of New York and specifically within this judicial district and has committed acts of infringement within this District.

7. Defendant maintains one or more websites which display its products for sale and also sells its products in company retail outlets. One such retail outlet is located at 270 Peninsula Blvd., Hempstead, New York 11550 (the “Retail Outlet”).

COUNT I

INFRINGEMENT OF U.S. PATENT NO. 7,862,066 UNDER 35 U.S.C. § 271

8. On January 4, 2011, United States Patent No. 7,862,066 (the “ ‘066 patent”) entitled “3 Way ATV/UTV Tractor Receiver Hitch” was duly and lawfully issued to Big Roc. A copy of the ‘066 patent is attached as Exhibit A.

9. Prior to the issuance of the ‘066 patent, Plaintiff commenced the sale of the product covered by the claims of this patent (the “Product”), and has continued to sell such Product at all times to the present day under its trademark “KOMODO.” Prior to the issuance of

the '066 patent, Plaintiff marked the Product with the words "patent pending," and subsequent to the issuance of the '066 patent has marked the product with the legend "Patent No. 7,862,066."

10. Upon information and belief, with knowledge of the '066 patent and with knowledge of Plaintiff's sales of the Product, Defendant has directly and/or indirectly infringed one or more claims of the '066 patent by manufacturing, importing, marketing, offering for sale and/or selling an ATV Hitch, Item No. 65960, under its trademark "HAUL-MASTER." A copy of a page from Harbor Freight's website, dated March 2, 2012, showing this item is attached as Exhibit B. Upon information and belief, Defendant offers for sale and is selling an associated ATV Hitch Adaptor, Item No. 65961, also under its trademark "HAUL-MASTER." A copy of a page from Harbor Freight's website showing this item is attached as Exhibit C. Upon information and belief, Defendant offers for sale and is selling an associated hitch pin, Item No. 65432. A copy of the page of the website showing this item is attached as Exhibit D.

11. Upon information and belief, Defendant, through its websites, retail outlets and the Retail Outlet located in Hempstead, New York, offers for sale and sells the aforesaid ATV Hitch, Item No. 65960, the aforesaid ATV Hitch Adaptor, Item No. 65961, and the aforesaid hitch pin, Item No. 65432. Harbor Freight's website shows that the three items are offered for sale and suggested to be used in combination with each other. A copy of the page of the website evidencing this fact is attached as Exhibit E.

12. Upon information and belief, with knowledge of the '066 patent and with knowledge of Plaintiff's sales of the Product, Defendant knowingly or with reckless disregard has induced and continues to induce others to infringe one or more claims of the '066 patent by inducing the manufacture, use, sale or offer for sale of the aforesaid ATV Hitch, Item No. 65960, the aforesaid ATV Hitch Adaptor, Item No. 65961, and the aforesaid hitch pin, Item No. 65432.

13. Upon information and belief, with knowledge of the '066 patent and with knowledge of Plaintiff's sales of the Product, Defendant knowingly has contributorily infringed and continues to contributorily infringe one or more claims of the '006 patent by selling or offering for sale a component of the hitch knowing that it is especially made for and/or adapted for use in an infringing manner. The combination of the ATV Hitch, Item No. 65960, with the other parts sold by Defendant, the ATV Hitch Adaptor, Item No. 65961, and the hitch pin, Item No. 65432, for which it was specifically designed, infringes the '066 patent. As Defendant's sale and offer for sale of the parts in combination shows, the ATV Hitch, Item No. 65960, alone has no substantial noninfringing use.

14. On March 6, 2012, Plaintiff sent a letter to Defendant stating that the manufacture, sale and offer for sale of the ATV Hitch by Defendant infringed the '066 patent, and demanding that Defendant cease the manufacture, use, sale and offer for sale of the ATV Hitch. Upon information and belief, Defendant has continued to manufacture, use, import, offer for sale and/or sell ATV Hitch, Item No. 65960, after receiving Plaintiff's cease and desist letter.

15. Upon information and belief, the infringing acts of Defendant occurred with knowledge of the '066 patent and are willful and deliberate. This case therefore is exceptional under 35 U.S.C. § 285, entitling Plaintiff to an award of increased damages and attorneys' fees.

16. Defendant's unlawful acts will continue unless and until its infringement is enjoined. Plaintiff has been damaged by Defendant's infringement of the '066 patent and is suffering and will continue to suffer irreparable harm and damages as a result of this infringement until such infringement is enjoined by this Court. Plaintiff has no adequate remedy at law.

COUNT II

FALSE AND MISLEADING ADVERTISING UNDER 15 U.S.C. § 1125(a)

17. Plaintiff repeats and re-alleges each and every allegation contained in paragraphs 1 through 16 of this Complaint as if set forth more fully herein.

18. Upon information and belief, Defendant offers for sale and sells two types of ATV Hitch as its Item No. 65960 under its trademark “HAUL-MASTER,” to wit:

(a) An ATV Hitch with four holes in its shank which allow connection to the ATV Hitch Adaptor, Defendant’s Item No. 65961, in one of four orientations; and

(b) An ATV Hitch with two holes in its shank which allow connection to the ATV Hitch Adaptor, Defendant’s Item No. 65961, in one of two orientations.

A copy of a photograph showing the two types of Defendant’s ATV Hitch, both sold as its Item No. 65960 under its trademark “HAUL-MASTER,” and also showing Plaintiff’s Product sold under its trademark “KOMODO,” is attached as Exhibit F.

19. Defendant Harbor Freight advertises that its ATV Hitch, Item No. 65960, “can be rotated to be used as either a ball mount or hitch pin hole.” A copy of a page from Harbor Freight’s website dated March 22, 2012 showing this statement is attached as Exhibit G.

20. The ATV Hitch, Item No. 65960, of the type with two holes in its shank does not permit the hitch to be rotated and used either as a ball mount or a hitch pin hole mount, and therefore cannot be used a hitch pin hole mount and is partly inoperable as advertised.

21. Upon information and belief, Defendant’s false and misleading advertising of Defendant’s two hole ATV Hitch, Item No. 65960, is causing confusion in the marketplace as to which of its ATV Hitches are operable as advertised and which are not.

22. Upon information and belief, as a result of Defendant's false and misleading advertising, customers are lured into purchasing Defendant's inoperable ATV Hitch, Item No. 65960, which is lower in price than Plaintiff's Product sold under its trademark "KOMODO."

23. Upon information and belief, customers who purchase Defendant's inoperable ATV Hitch, Item No. 65960, with two holes in its shank are not likely to ever purchase Plaintiff's Product.

24. Upon information and belief, Defendant's sales of its inoperable ATV Hitch, Item No. 65960, and its false and misleading advertising of this Item No. 65960, have damaged the reputation of Plaintiff's Product.

25. Defendant's false and misleading advertising of its inoperable ATV Hitch Item No. 65960 as able to be "rotated to be used as either a ball mount or hitch pin hole" constitutes a willful violation of Section 43(a) of the Lanham Act, 15 USC §1125(a).

26. Defendant's conduct has caused and will continue to cause immediate and irreparable injury to Plaintiff for which Plaintiff has no adequate remedy at law.

COUNT III

COMMON LAW UNFAIR COMPETITION

27. Plaintiff repeats and re-alleges each and every allegation contained in paragraphs 1 through 26 of this Second Amended Complaint as if set forth more fully herein.

28. Defendant's advertising, sale and offer for sale of its ATV Hitch with two holes, Item No. 65960, as able to be "rotated to be used as either a ball mount or hitch pin hole" constitutes unfair competition under the common and state statutory laws in which Defendant conducts business, including New York State, and such use is likely to cause and has caused confusion, mistake and/or deception among the consuming public and customers of Defendant.

29. The aforesaid wrongful conduct of Defendant was willful and intentional and was undertaken in a deliberate effort to gain for Defendant the benefit of the good will associated with Plaintiff and the products manufactured and sold by Plaintiff pursuant to the '066 patent.

30. Defendant's unfair competition has caused and will continue to cause immediate and irreparable harm to Plaintiff for which Plaintiff has no adequate remedy at law.

COUNT IV

VIOLATION OF NEW YORK GENERAL BUSINESS LAW § 349

31. Plaintiff repeats and re-alleges each and every allegation contained in paragraphs 1 through 30 of this Second Amended Complaint as if set forth more fully herein.

32. Defendant, without Plaintiff's authorization or consent, and with knowledge of the '066 patent and associated intellectual property rights, has distributed, imported, marketed, advertised, offered for sale and/or sold its ATV Hitch with two holes to New York State consumers in violation of New York General Business Law § 349.

33. Defendant's sale of its two hole ATV Hitch is likely to cause and is causing confusion, mistake and/or deception among the New York State consuming public and customers of Defendant, and is likely to confuse, mislead and/or deceive because Defendant's ATV Hitch with two holes does not permit the hitch to be rotated and used as a ball mount or hitch pin or a hitch pin hole and is partly inoperable as advertised.

34. Defendant's deceptive acts and practices involve public sales activities of a recurring nature, and cause injury to New York State consumers and harm to the public interest.

35. Defendant's deceptive acts have caused and will continue to cause immediate and irreparable harm to Plaintiff for which Plaintiff has no adequate remedy at law.

COUNT V

VIOLATION OF NEW YORK GENERAL BUSINESS LAW § 350

36. Plaintiff repeats and re-alleges each and every allegation contained in paragraphs 1 through 35 of this Second Amended Complaint as if set forth more fully herein.

37. Upon information and belief, Defendant, in the marketing, advertising, offer for sale and/or selling of its two hole ATV Hitch, Item No. 65960, makes statements that are misleading in material respects and constitute false advertising in violation of New York General Business Law § 350.

38. Defendant Harbor Freight advertises that its ATV Hitch, Item No. 65960, “can be rotated to be used as either a ball mount or hitch pin hole.” *See* Exhibit G.

39. The Defendant’s ATV Hitch, Item No. 65960, of the type with two holes in its shank does not permit the hitch to be rotated and used either as a ball mount or a hitch pin hole mount, and therefore cannot be used a hitch pin hole mount and is partly inoperable as advertised.

40. Upon information and belief, Defendant’s acts, practices, marketing, advertising, offering for sale and/or selling of its ATV Hitch, Item No. 65960, has been and is consumer oriented and misleading in material respects.

41. Upon information and belief, consumers, including New York State consumers and customers of Defendant, have relied upon and have been injured due to Defendant’s false advertising.

42. Defendant’s false advertising has caused and will continue to cause immediate and irreparable harm to Plaintiff for which Plaintiff has no adequate remedy at law.

WHEREFORE, Plaintiff Big Roc prays that the Court:

A. Enter judgment that Defendant has infringed, induced infringement and/or contributorily infringed one or more claims of United States Patent Nos. 7,862,066;

B. Temporarily, and permanently, enjoin Defendant, its parents, subsidiaries, affiliates, divisions, officers, agents, servants, employees, directors, partners, representatives, and all parties in active concert and/or participation with it, from engaging in the aforesaid unlawful acts of infringement of U.S. Patent No. 7,862,066;

C. Temporarily, and permanently, enjoin the Defendant, its parents, subsidiaries, affiliates, divisions, officers, agents, servants, employees, directors, partners, representatives, and all parties in active concert and/or participation with it, from engaging in the aforesaid activity constituting false and misleading advertising, unfair competition, and violations of New York General Business Laws;

D. Award Plaintiff all damages, including increased damages, caused by Defendant's unlawful acts of infringement together with interest thereon;

E. Require Defendant to account for and pay over to Plaintiff the profits realized by Defendant from its false and misleading advertising, and trebling such amount pursuant to 15 U.S.C. § 1117(a);

F. Declare this case exceptional and award Plaintiff its attorney fees and costs incurred in this action; and

G. Grant Plaintiff such other and further relief as the Court may deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a jury trial of all issues triable of right by jury.

Dated: July 20, 2012

s/ Karl F. Milde, Jr.

Karl F. Milde, Jr. Esq.

Janet B. Linn, Esq.

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